

STORMWATER UTILITY OVERVIEW

A. General Principles

1. The stormwater utility concept relies upon the need to fund stormwater on the basis of the need for services.
2. A direct connection must be established between the services provided and the methodology utilized for the charge.
3. A billing/collection mechanism that allows charges to all customers in a service area must be established.
4. Enabling legislation within a given state must exist to permit this charge structure.
5. Public support at the service area level must be established.

B. States With Enabling Legislation

| | | |
|-----------------------|----------------|----------------|
| Alabama | Arizona | Arkansas |
| California | Colorado | Connecticut |
| District of Columbia | Florida | Georgia |
| Indiana | Iowa | Kansas |
| Kentucky | Louisiana | Maine |
| Maryland | Massachusetts | Michigan |
| Minnesota | Nevada | New Jersey |
| New Mexico | New York | North Carolina |
| Ohio | Oklahoma | Oregon |
| Puerto Rico | South Carolina | Tennessee |
| Texas | Utah | Vermont |
| Virginia | Washington | West Virginia |
| Wisconsin | Wyoming | |

C. Number of Entities With Stormwater Utilities

1. As of January 1, 2002, 356 stormwater utilities existed in the United States.
2. 64 of those utilities contained a specific credit policy.
3. The average charge per Equivalent Residential Unit (ERU) equals \$2.92/per ERU/per month.

4. The range of values for the ERU is between 1,500 and 3,200 square feet/ERU.

D. Public Involvement/Support for Utilities

1. Since 1990, communities establishing utilities have found the advisory committee to be necessary to generate support.
2. An advisory committee is composed of individuals from all areas of the service zone.
3. The committee is normally composed of 15-20 members.

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Annual Cost Comparison Examples, Lincoln, NE

Work - In - Progress 11/5/02

| <u>Property</u> | <u>Taxable Value</u> | <u>Impervious Area, Sq Ft</u> | <u>Property Tax</u> | <u>Stormwater Use Fee \$36.00</u> | <u>Use Fee w/ 33% Credit \$24.00</u> |
|--------------------------|----------------------|-------------------------------|---------------------|-----------------------------------|--------------------------------------|
| <i>Residences</i> | | | | | |
| Residential Home | \$100,000 | 2,200 | \$50 | \$36 | |
| Multi-Family | \$619,040 | 14,752 | \$312 | \$241 | |
| <i>Public Buildings</i> | | | | | |
| State Building | \$0 | 43,889 | \$0 | \$718 | |
| Church | \$0 | 211,276 | \$0 | \$3,457 | |
| University Building | \$0 | 305,626 | \$0 | \$5,001 | \$3,334 |
| High School | \$0 | 508,767 | \$0 | \$8,325 | |
| <i>Other</i> | | | | | |
| Gas Station | \$254,612 | 13,759 | \$129 | \$225 | |
| Restaurant | \$349,907 | 15,581 | \$177 | \$255 | |
| Small Car Lot | \$132,924 | 18,848 | \$67 | \$308 | |
| High Density Office Bldg | \$7,220,270 | 23,655 | \$3,644 | \$387 | |
| Small Grocery Store | \$451,135 | 38,828 | \$228 | \$635 | |
| Hotel | \$21,053,373 | 100,200 | \$10,626 | \$1,640 | |
| Large Car Lot | \$700,448 | 157,564 | \$354 | \$2,578 | \$1,719 |
| Large Grocery Store | \$3,616,508 | 229,858 | \$1,825 | \$3,761 | \$2,508 |
| Industrial | \$4,616,719 | 529,016 | \$2,330 | \$8,657 | \$5,771 |
| Hospital | \$5,909,818 | 830,013 | \$2,983 | \$13,582 | \$9,055 |
| Large Shopping Mall | \$34,658,000 | 1,190,126 | \$17,492 | \$19,475 | \$12,983 |

Stormwater Use Fee

Equivalent Residential Unit revenue equation ($\$/ERU \times 8 \times \text{population} = \text{revenue}$)

Assume: ERU = 2,200 square feet, charge per ERU at \$3/month, Lincoln population = 225,000

Then: $\$3/ERU \times 8 \times 225,000 = \$5.4M$

Property Tax

2001 Certified Valuation for Lincoln is \$10.7B

Assume: \$5.4 M storm drainage program (see above) funded from property tax

Then: 0.05047% of taxable value used for program

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Annual Cost Comparison Examples, Omaha, NE

Work - In - Progress 11/5/02

| <u>Property</u> | <u>Taxable Value</u> | <u>Impervious Area, Sq Ft</u> | <u>Property Tax</u> | <u>Stormwater Use Fee</u> | <u>Use Fee w/ 33% Credit</u> |
|--------------------------------|----------------------|-------------------------------|---------------------|---------------------------|------------------------------|
| <i>Residences</i> | | | | | |
| Residential Home | \$100,000 | 2,200 | \$52 | \$36 | |
| Multi-Family | \$619,040 | 14,752 | \$320 | \$241 | |
| <i>Public Buildings</i> | | | | | |
| State Building | \$0 | 43,889 | \$0 | \$718 | \$481 |
| Church | \$0 | 211,276 | \$0 | \$3,457 | \$2,316 |
| University Building | \$0 | 305,626 | \$0 | \$5,001 | \$3,351 |
| High School | \$0 | 508,767 | \$0 | \$8,325 | \$5,578 |
| Convention Center/Arena | \$0 | 4,000,000 | \$0 | \$65,455 | \$43,855 |
| <i>Other</i> | | | | | |
| Gas Station | \$340,200 | 22,500 | \$176 | \$368 | \$247 |
| Restaurant | \$1,363,800 | 91,350 | \$704 | \$1,495 | \$1,002 |
| Fast food | \$197,000 | 18,744 | \$102 | \$307 | \$206 |
| High Density Office Bldg | \$83,769,000 | 74,052 | \$43,236 | \$1,212 | \$812 |
| Highrise Hotel | \$16,272,000 | 31,680 | \$8,398 | \$518 | \$347 |
| Convenience Store | \$825,700 | 49,500 | \$426 | \$810 | \$543 |
| Motel | \$1,100,000 | 52,115 | \$568 | \$853 | \$571 |
| Large Car Lot | \$2,687,400 | 213,444 | \$1,387 | \$3,493 | \$2,340 |
| Large Grocery Store | \$5,413,500 | 293,159 | \$2,794 | \$4,797 | \$3,214 |
| Wholesale Outlet | \$4,125,000 | 572,378 | \$2,129 | \$9,366 | \$6,275 |
| Office Bldg | \$20,871,000 | 858,568 | \$10,772 | \$14,049 | \$9,413 |
| Industrial | \$35,703,700 | 5,861,434 | \$18,428 | \$95,914 | \$64,263 |
| Hospital | \$12,289,500 | 865,000 | \$6,343 | \$14,155 | \$9,484 |
| Large Shopping Mall | \$97,902,100 | 2,049,886 | \$50,530 | \$33,544 | \$22,474 |

Stormwater Use Fee

Equivalent Residential Unit revenue equation ($\$/\text{ERU} \times 8 \times \text{population} = \text{revenue}$)

Assume: ERU = 2,200 square feet, charge per ERU at \$3/month, Omaha population = 390,000

Then: $\$3/\text{ERU} \times 8 \times 390,000 = \9.36M

Property Tax

2002 Certified Valuation for Omaha is \$18.6B

Assume: \$9.36 M storm drainage program (see above) funded from property tax

Then: 0.05161% of taxable value used for program

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Annual Cost Comparison Examples, Grand Island, NE

Work - In - Progress 11/5/02

| <u>Property</u> | <u>Taxable Value</u> | <u>Impervious Area, Sq Ft</u> | <u>Property Tax</u> | <u>Stormwater Use Fee \$36.00</u> | <u>Use Fee w/ 33% Credit \$24.00</u> |
|--------------------------|----------------------|-------------------------------|---------------------|-----------------------------------|--------------------------------------|
| <i>Residences</i> | | | | | |
| Residential Home | \$100,000 | 2,200 | \$59 | \$36 | |
| Multi-Family | \$454,851 | 39,800 | \$268 | \$651 | |
| <i>Public Buildings</i> | | | | | |
| State Building | \$0 | 28,700 | \$0 | \$470 | |
| Church | \$0 | 62,300 | \$0 | \$1,019 | |
| University Building | \$0 | 222,700 | \$0 | \$3,644 | \$2,429 |
| High School | \$0 | 641,800 | \$0 | \$10,502 | |
| <i>Other</i> | | | | | |
| Gas Station | \$239,427 | 88,900 | \$141 | \$1,455 | |
| Restaurant | \$848,092 | 69,200 | \$500 | \$1,132 | |
| Small Car Lot | \$164,476 | 22,900 | \$97 | \$375 | |
| High Density Office Bldg | \$1,305,079 | 74,500 | \$770 | \$1,219 | |
| Small Grocery Store | \$83,577 | 8,712 | \$49 | \$143 | |
| Motel | \$1,184,008 | 73,400 | \$698 | \$1,201 | \$801 |
| Large Car Lot | \$1,742,587 | 181,300 | \$1,028 | \$2,967 | \$1,978 |
| Large Grocery Store | \$2,450,377 | 137,500 | \$1,446 | \$2,250 | \$1,500 |
| Industrial | \$7,293,300 | 1,494,600 | \$4,302 | \$24,457 | \$16,305 |
| Hospital (public) | \$0 | 660,800 | \$0 | \$10,813 | \$7,209 |
| Large Shopping Mall | \$22,100,000 | 1,772,300 | \$13,037 | \$29,001 | \$19,334 |

Stormwater Use Fee

Equivalent Residential Unit revenue equation ($\$/\text{ERU} \times 8 \times \text{population} = \text{revenue}$)

Assume: ERU = 2,200 square feet, charge per ERU at \$3/month, Grand Island population = 42,940

Then: $\$3/\text{ERU} \times 8 \times 42,940 = \1.03M

Property Tax

Valuation for Grand Island is \$1.75B

Assume: \$1.03M storm drainage program (see above) funded from property tax

Then: 0.05899% of taxable value used for program